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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND,
 LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

Case Nos. BK-S-06-10725 LBR
 Case Nos. BK-S-06-10726 LBR
 Case Nos. BK-S-06-10727 LBR
 Case Nos. BK-S-06-10728 LBR
 Case Nos. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

**DECLARATION IN SUPPORT OF EX
 PARTE APPLICATION FOR ORDER
 SHORTENING TIME TO HEAR
 MOTION TO SELL UNDER SECTION
 363 ALL COMMERCIAL
 MORTGAGE ASSETS OF DEBTOR
 USA COMMERCIAL MORTGAGE
 COMPANY IN THE PLACER
 VINEYARDS LOANS TO COMPASS
 USA SPE, LLC [AFFECTS DEBTOR
 USA COMMERCIAL MORTGAGE
 COMPANY]**

Date: OST Requested for March 27, 2007
 Time: OST Requested for 9:30 a.m.

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1 Jeanette McPherson, Esq. counsel for Debtor in Possession USA COMMERCIAL
 2 MORTGAGE COMPANY ("USACM"), under penalties of perjury, hereby declares on this 9th
 3 day of March, 2007 that:

4 1. A Motion To Sell Under Section 363 All Commercial Mortgage Assets of Debtor
 5 USA Commercial Mortgage Company in the Placer Vineyards Loans to Compass USA SPE, LLC
 6 (the "Motion") has been filed. The Motion requests an order of this Court (a) authorizing
 7 USACM pursuant to 11 U.S.C. §§ 363(b)(1) and 363(f) to sell to Compass USA SPE, LLC,
 8 successor in interest to Compass Partners, LLC ("Compass"), the Placer Vineyard Commercial
 9 Mortgage Assets of USACM that relate to the Placer Vineyard Loans for the purchase price of
 10 \$300,000, and (b) authorize USACM to execute all documents and take all other necessary steps
 11 required to implement any of the foregoing actions.

12 2. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR 9006(a).

13 3. USACM is currently the servicer of the Placer Vineyard Loans, but USACM's
 14 servicing role and capacity to act as servicer has been significantly reduced (but not compromised)
 15 since the recent sale of the majority of USACM's servicing rights to Compass. USACM has been
 16 advised that additional significant funding is needed to complete the Placer Vineyard Project and
 17 maximize the value that should be realized from the successful completion of the Placer Vineyards
 18 Project. USACM is not able under the terms of the Confirmed Plan to provide any additional
 19 funding for the Placer Vineyards Project. Compass, the prospective purchaser, has indicated that
 20 it has the resources and the incentive to provide the requested additional funding for the Placer
 21 Vineyards Project if it is the successor purchaser. The long-term servicing of the Placer Vineyards
 22 Loan will be in limbo until this Motion is heard by the Court. An expedited hearing on the Motion

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1 will help preserve the value of the Placer Vineyards Project for the benefit of the affected Direct
2 Lenders and the USACM Estate and should resolve the issue of which entity will be the long-term
3 servicer of the Placer Vineyards Loan.

4 DATED: March 9, 2007.

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6 /s/ Jeanette E. McPherson
Jeanette E. McPherson, Esq.

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